

Re: Senate EA banking question

From: "Nathoo, Farees" </o=pco-pmo-bnet/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=f_nathoo130">
To: "Milech, Michael" <Personal Info. >
Cc: alexann.kropman@fin.gc.ca, "Penney, Michael" <Personal Info. > David Hurl <david.hurl@fin.gc.ca>
Date: Fri, 18 Feb 2022 20:25:26 +0000

Michael, thank you for this. We will get you an answer in writing from officials.

Farees Nathoo
Personal Info.

On Feb 18, 2022, at 14:56, Milech, Michael <Personal Info. > wrote:

Hi Farees, Alexann,

One of the main concerns we've been hearing from senators is that people who have their accounts frozen may have trouble getting them unfrozen, or may be blackballed by financial institutions, even after the emergency orders are revoked. In briefings, your officials have said that they've spoken to the banks and they don't think this will be a problem, but as you can imagine, "trust the banks" isn't a winning response. Hoping you can help get us a better answer.

I was talking to David Hurl this morning, and he pointed me to the right to open a bank account under the regs for section 448.1(1) of the Bank Act, which I've copied below. It helps, but it raises two questions. First, these regs establish a right to open an account, but how do they apply to people trying to have existing accounts unfrozen? Second, what does "history of illegal activity" mean in subsection (b) – does this give banks the right to refuse service to someone who used their account to support the convoy?

It would be great if you could get us more information over the weekend, and hopefully have Minister Freeland prepped with this if/when she speaks to senators.

Thanks very much,

Michael

Michael Milech

Director of Parliamentary Affairs | Directeur des affaires parlementaires
Officer of the Honourable Patti LaBoucane-Benson | Cabinet de l'honorable Patti LaBoucane-Benson
Senate of Canada | Sénat du Canada

Refusal to open account

- * **3 (1)** Subject to subsection (2), subsection 448.1(1) of the Act does not apply in the following circumstances:
 - o **(a)** if the member bank has reasonable grounds to believe that the retail deposit account will be used for illegal or fraudulent purposes;
 - o **(b)** if the individual has a history of illegal or fraudulent activity in relation to providers of financial services and if the most recent instance of such activity occurred less than seven years before the day on which the request to open a retail deposit account is made;
 - o **(c)** if the member bank has reasonable grounds to believe that the individual, for the purpose of opening the retail deposit account, knowingly made a material misrepresentation in the information provided to the member bank;
 - o **(d)** if the member bank has reasonable grounds to believe that it is necessary to refuse to open the retail deposit account in order to protect the customers or employees of the member bank from physical harm, harassment or other abuse; or
 - o **(e)** if the request is made at a branch or point of service of a member bank at which the only retail deposit accounts offered are those that are linked to an account at another financial institution.